

Federal Grants World

Brought to you by the Grants Management Line of Business
Improving Grants • Transforming Government



September 2010

Grants World Blog

In an effort to improve federal grants community communications with external audiences and promote the Administration's goals of transparency and public engagement, the GMLOB Communications Committee launched the Grants World Blog on September 27, 2010. Blog posts will provide news and updates to the public on grants-related topics such as the activities of the federal grants community; current and new legislation; OMB guidance; relevant Federal Register notices open for comment; and grants-related events and announcements.

To view the Grants World Blog, visit www.gmlob.wordpress.com.

Editorial Board

Federal grants professionals from the GMLOB Communications Committee serve as the Grants World Bulletin Editorial Board, overseeing the development and content of the Bulletin.

Matthew Faulkner – US Department of Agriculture

Jeremy Leffler – National Science Foundation

Erika Rissi – National Science Foundation

Loretta Smith-Hawkins – Grants.gov

Kathleen Williams – National Archives and Records Administration

Letter from the GMLOB Managing Partner

Colleagues,

As you know, the Grants Taskforce of the Grants Executive Board (GEB) and Grants Policy Committee (GPC) has been working with the Office of Management and Budget (OMB) to establish a single, government-wide grants governance body. As part of this effort, OMB requested that the Grants Management Line of Business (GMLOB) develop a strategy for the federal grants community to ensure the community moves forward in achieving its vision. In developing the strategy, we gathered information from conversations the community has had over the years around the development of a single, government-wide grants governance body, GMLOB services, and other strategic planning efforts.

The resulting Federal Grants Community Strategy (hereafter the Strategy) discusses the current state, case for change, desired future state, and guiding principles of the federal grants community. In addition, the Strategy details initiatives for the community to pursue in order to achieve its desired future state. These strategic initiatives are known priorities within the community and reflect the needs stated by agencies and OMB. The five initiatives identified in the Strategy are:

1. Standards and Streamlining: Define and implement standards for key grants management data and processes
2. Grants Professionalization: Develop and manage government-wide training and certification for grants management professionals
3. Solution Strategy (currently consortia model): Develop and implement an operating model that provides viable options for grants

management solutions that help reduce cost and duplication

4. Grants.gov Next Generation: Develop Grants.gov Next Generation
5. Open Government Sub-Award Reporting: Implement Open Government subaward reporting requirements

This Strategy will serve as a starting point for establishing priorities for the new governance body, which OMB recently agreed to establish and co-chair. We anticipate more information on the new governance body and its structure in the coming weeks. GMLOB plans to support the transition to the new governance body and will continue to provide strategy execution support to keep activities of the federal grants community moving forward. This work will include governance; communications and outreach; performance reporting and policy monitoring; and project management. In addition, GMLOB will continue to provide direct support and subject matter expertise in the development of government-wide standards.

We are very excited to be moving toward achieving the goals of the federal grants community and having a Strategy in place for getting us there. If you are interested in reviewing the Strategy in its entirety, please visit the GMLOB MAX site:

<https://max.omb.gov/community/x/wiil>

Regards,

Mary Santonastasso

GMLOB Co-Managing Partner

Grants.gov Update

By Philip Clark, Grants.gov Program Manager

On July 24 and 25, Grants.gov released the first system build since completing the implementation of the “boost.” The July build provided much needed system maintenance and enhancements for both the grantor and applicant communities. New features in the recent build include improvements in basic search functions, verification, and reporting capabilities.

Grants.gov recently launched the new iPortal, a new self-help web portal that offers additional assistance in finding and applying for federal grants on Grants.gov. The iPortal includes: search capabilities for the top 10 most-requested help topics, a searchable knowledge base, self-service help ticket generation, and live one-on-one help via web chat as well as alerts and other important system notifications.

On October 9 and 10, Grants.gov will release this year’s second system build. In addition to system maintenance, the build will implement critical system security enhancements by providing improvements in data confidentiality and integrity and ensuring compliance with current system security regulations in an effort to better protect both individual users and organizations. Users will be required to create new and stronger passwords and adhere to password expiration policies. The Grants.gov Program Management Office (PMO) is currently in the process of preparing training materials for both applicants and grantors in preparation for the upcoming build and will provide those materials to users well in advance of the build.

Finally, the Office of Management and Budget (OMB) and the Grants Executive Board (GEB) are currently reviewing the business case for the Next Generation of Grants.gov. FY 2012 budget decisions are expected soon and will drive the scope and pace of implementation of the many enhancements that stakeholders have identified during the Grants.gov Next Generation planning process. The Grants.gov PMO will prepare implementation plans for further stakeholder review once budget decisions are made.

Federal Register 2.0

The Federal Register Act celebrated its 75th anniversary by launching the web 2.0 version of the daily Federal Register. The site refresh is part of the Administration’s Open Government Directive to ensure that the activities of the federal government are more accessible and transparent to the public. The Federal Register serves as the federal government’s official journal, containing proposed and final rules and regulations in addition to notices of meetings and adjudicatory proceedings. The new website, which went live on July 25th 2010, is a collaborative effort among the developers who created GovPulse.us, Government Printing Office (GPO), and National Archives and Records Administration (NARA) websites.

The Federal Register has been known to be enigmatic for many readers, especially to inexperienced users. Official editions of the Federal Register can be densely formatted and difficult to navigate. The new site attempts to address that challenge and turn the site into a “daily web newspaper” enabling readers to access information in a “meaningful and innovative” manner. In pursuit of that, Federal Register 2.0 boasts a host of new key features including:

- Re-formatted documents to reflect the common web newspaper format
- Better categorization to organize documents into various topical sections
- Agency “home pages” for major federal agencies with a collection of the most recent articles relevant to it
- Calendar of events that consolidates and displays crucial dates for comment periods, public meetings, other opportunities for public participation, as well as final rule effective dates

- Enhanced navigation through extracting major headings from within documents

A slew of other, more subtle changes peppered throughout the site enable better accessibility and readability for all types of users. The Administration is requesting feedback on the updated site with the intention of making further improvements based on that information. To see the updated Federal Register, please visit FederalRegister.gov.

Grants Accessibility & Transparency Enhancement Act

On July 19, 2010, HR 5775: Grants Accessibility and Transparency Enhancement Act of 2010 was introduced to the United States (U.S.) House of Representatives. The main purpose of the proposed legislation is to establish a commission on earmark reform and consolidate and streamline the grants management structure of the federal government. The Act is divided into five sections:

1. Establish National Commission on Earmark Reform

The National Commission on Earmark Reform, composed of the Director of the Office of Management and Budget (OMB) and other presidentially appointed members, would be charged with studying laws and practices related to replacing earmarks with a grant-making process, developing a proposed plan to transition from congressional member-directed earmarks to the grant-making process, and proposing legislative or regulatory changes to implement a specific governance structure for all grants functions. The Commission would use expert grant award panels to receive, review, and award grant funding in a merited-based system.

2. Establish Office of Grant Making within OMB

The Office of Grant Making would not only be responsible for directing and coordinating the development of the expert grant award panels created by the Act and the specific recommendations of the National Commission on Earmark Reform, but also maintaining Grants.gov. The office would also be charged with implementing a common grant application and reporting system and an interagency process for addressing the following:

- Streamlining and simplifying federal grant administrative procedures and reporting requirements for non-federal entities

- Improving interagency and intergovernmental coordination of information collection and sharing of data pertaining to federal grants
- Improving timeliness, completeness, and quality of information received by agencies from recipients of federal grants

3. Streamline the Role of Agencies in Grant-Making Process

If implemented, federal grant-making agencies would have 180 days to develop and implement a plan to:

- Streamline and simplify the application, administrative, and reporting procedures for federal grants administered by the agency
- Demonstrate a process to actively participate in expert grants award panels established by the legislation
- Demonstrate appropriate agency use, or plans for use, of a common grant application and reporting system
- Designates a lead agency official for carrying out the responsibilities of the agency under the proposed Act
- Allow grant applicants to electronically apply for and report on the use of funds
- Ensure recipients provide timely, complete, and accurate information in response to federal reporting requirements
- Establish specific annual goals and objectives to further the purposes of the proposed Act and measures annual performance in achieving those goals and objectives

4. Expand Use & Functionality of Grants.gov

The Act transfers ownership of Grants.gov to the OMB Office of Grant Making created by the legislation, establishes a requirement for all grants be posted on Grants.gov, and merges USASpending.gov into Grants.gov. In addition, the functionality of Grants.gov would be expanded to include not only finding and applying for grants, but also submitting and receiving grant applications; sending grant award notification and other documentation; submitting and receiving post-award management reports; grants-related closeout tools; grant award tracking; and training and technical assistance.

5. End Congressional Earmarks, Limited Tax Benefits, and Limited Tariff Benefits

Finally, the Act would amend Section 312 of the congressional Budget Act of 1974 by adding new subsections aimed at ending congressional earmarks, limited tax benefits, and limited tariff benefits.

As of September 1, 2010 the proposed legislation was in the Committee on Oversight and Government Reform as well as the Committees on the Budget and Rules for consideration of provisions that fall within the jurisdiction of the committees.

Improper Payments

It is estimated that nearly \$110 billion of the \$2 trillion in payments to individuals and organization are improperly paid out by the federal government each year, which amounts to more than the combined budgets of the Department of Education and the Small Business Administration. An improper payment occurs when the government funds go to the wrong recipient, an incorrect amount has been given to a recipient, or recipients use the funds in an undesirable manner.

Under the Obama Administration, a series of executive orders and legislation have been issued with the goal of reducing the amount of improper payments made by the federal government each year. The President took the first step in late November 2009 by signing Executive Order 13520 to restrain improper payments by responding to three categories of action: boosting transparency, holding agencies accountable, and creating strong incentives for compliance. The Order developed an online dashboard of key indicators and statistics on improper payments (<http://paymentaccuracy.gov/>). In addition, the Order calls for the establishment of a single venue for reporting incidences of waste, fraud, and abuse and for agencies to establish more frequent error reduction tactics. More substantially, in order to increase the level of accountability, the administration will require each agency to select high-level, Senate confirmed appointees responsible for meeting reduction targets.

In March 2010, the Office of Management and Budget (OMB) released new guidance for implementing the President's Executive Order. The guidance better defines the role of agency-accountable officials; verifies which programs must comply with the Order; delineates goals for high priority programs; establishes reporting requirements; and provides procedures to identify organizations

with outstanding improper payments. OMB also expanded the use of "Payment Recapture Audits" where accounting specialists attempt to uncover such issues as duplicate payments, payment for services not rendered, overpayments, and non-existent vendors.

In June, the Administration began addressing some of the logistical challenges agencies face in accessing multiple databases across the government in order to identify potential applicants' eligibility status. As a result, the President issued the Presidential Memorandum: Enhancing Payment Accuracy Through a "Do Not Pay List," which calls for the development of a single source for agencies to check on the records of a potential contractor or grantee and that pull data from existing federal databases.

In addition, Congress has issued legislation providing further direction. On July 22, the President signed into law the Improper Payments Elimination and Recovery Act (IPERA). The goal behind IPERA is to complement and enable implementation of improper payments directives issued by the Administration since November. The bill requires agencies to conduct annual risk assessments and measure improper payments in programs significantly susceptible to it. It continues to expand payment recapture audits by lowering the threshold for programs that must conduct the reviews. IPERA also authorizes agency heads to use recovered funds for additional uses than is currently allowed, including support for an agency's Office of the Inspector General. Finally, IPERA institutes a host of actions an agency must take for non-compliance in order to increase its error reduction rate.

Agencies should continue to anticipate further guidance concerning improper payments, requiring greater coordination among federal, state, and

Quarterly Legislative Monitoring Report

Tracking legislation and existing public laws which impact the federal grants community enables the community to identify opportunities to proactively comply with new mandates in an efficient and coordinated manner.

GMLOB issues legislative monitoring reports for the grants community that tracks, monitors, and assesses updates to pending grants legislation and public laws that affect the federal grants community. Monitoring reports are generated on a quarterly basis and include pending grants legislation as well as OMB guidance, executive orders, and memorandums regarding existing grants-related public laws. Updates in legislation are based on the Baseline Legislative Monitoring Report from March 2010.

Quarterly legislative monitoring reports can be found on the GMLOB MAX site: <https://max.omb.gov/community/x/fIH1Hg>.

local entities. Agencies have been asked to submit methodologies for identifying and measuring improper payments and plans for meeting reduction targets for improper payments. Furthermore, these activities must be carried out without overburdening access and participation for eligible beneficiaries. Each agency has been asked to submit a plan to OMB that includes information on its current pre-payment and pre-award procedures and a list of databases that the agency checks pursuant to those procedures. Agencies should also work with OMB by offering consultation concerning the development of additional guidance, as OMB is required to seek advice from affected agencies. Finally, reporting on current procedures should be as accurate as possible as further guidance will attempt to take into account existing processes.

Recovery Accountability and Transparency Board Update

By Don Salo, Recovery Accountability and Transparency Board

The staff of the Recovery Accountability and Transparency Board (RATB) continues to collaborate with federal agencies, the American Institute of Certified Public Accountants (AICPA), and the National Association of State Auditors, Comptrollers, and Treasurers to improve and streamline Single Audits, reduce improper payments, and improve risk management of grants.

We are currently working with the Office of Management and Budget (OMB) to help federal agencies comply with OMB memorandum M-10-14 with respect to Single Audit requirements under the American Recovery and Reinvestment Act of 2009 (Recovery Act). By September 30, 2010, agencies must inform OMB of the actions they are planning to address Single Audit issues, including areas of high risk. The guidance also requires agencies to summarize material weaknesses, material non-compliance, and unclear (e.g. qualified, adverse, or disclaimer) opinions in their Recovery Act programs.

The information from the agencies will allow OMB and the RATB to gain a better understanding of the magnitude of key high-risk issues for Recovery Act grant programs. The report should also lead to better accountability by agencies and grant recipients and help establish baseline metrics and targets that could be used to publicly report and track oversight of Single Audits similar to how improper payments are monitored. These metrics and targets could be used by Congress and OMB for routine oversight matters.

Separately, a representative from the Department of Labor (DOL) filmed a video providing information on the Davis-Bacon Act (DBA) as it applies to Recovery Act funds. The video will be posted to Recovery.gov by mid-September and is intended to help auditors and recipients of Recovery Act funds. Among other things, the video provides information on contacts at DOL, DBA requirements, wage determinations, and agency responsibilities along with answers to questions from the auditing and recipient communities.

The RATB staff also continues to review data contained in the Federal Audit Clearinghouse to identify high-risk recipients and programs. The staff is currently reviewing 2009 Single Audits to identify recipients with unclear opinions from auditors and the findings developed from monitoring sub-recipients, including awards made in major federal programs with Recovery Act funds.

Our review has identified more than \$32 billion in Recovery Act funds with potentially serious issues. We noted 167 recipients had a qualified opinion and 86 recipients had a sub-recipient monitoring finding on at least one major federal program with Recovery Act funds. In addition, 17 recipients had adverse or disclaimer opinions on at least one major federal program. We found that some federal agencies awarded Recovery Act funds to 21 recipients even though the recipients had unclear opinions and/or sub-recipient monitoring findings for programs for five years.

Recovery Act Digest

The GMLOB PMO distributes a weekly Recovery Act digest of news and announcements. The digest addresses new requirements and policies, OMB guidance, and general news and announcements related to agencies and the Recovery Act. If you are a Federal employee and would like to be added to this digest list, please e-mail GrantsWorld@nsf.gov.

Finally, the RATB's staff has been meeting with federal agencies to discuss risk management for grants. The staff shared best practices, the RATB's recipient risk assessment tool, and suggested procedures for monitoring from the office and through on-site visits. For example, the staff met with an agency that has \$4.7 billion in Recovery Act funds available for a new program and is now implementing improved grant oversight processes and procedures. Also, another agency that met with our staff regarding use of the Single Audit data from Clearinghouse to mitigate risk and the development of a risk assessment has subsequently drafted a risk assessment tool. The risk assessment tool scores all of the agency's Recovery grant recipients and will be the basis for their monitoring of recipients.

Grants Management Series Development

By Karen Tiplady, National Science Foundation

In April, the Office of Personnel Management (OPM) released a draft Position Classification Flysheet for a Grants Management Series, 1109, and a proposed Qualification Standard for the occupation. The intent of the flysheet is to bring into focus the grants management workforce using one occupational series to consistently define the primary duties and responsibilities of federal

grants management professionals. The new series has been proposed under the Group Qualification Standard for Administrative and Management Positions.

OPM solicited comments on the draft Position Classification Flysheet for the new 1109 series from all agencies' Human Resource Directors through the end of June. Currently, OPM is reviewing

the agency comments and making final decisions on releasing the new series classification with agency instructions on implementation. An update on the Grants Management series effort and link to the series flysheet will be announced in the Federal Grants World bulletin after OPM's final issuance.

Grants Events

- **Advancing Government Accountability's Performance Management Conference** will be held in Baltimore, MD, October 13-14, 2010. For more information, visit [AGA Conferences](#).
 - **SRA International 2010 Annual Meeting** will be held in Chicago, IL, October 16-20, 2010. For more information, visit [SRA International Annual Meeting](#).
 - **National Grants Partnership Webcast** will be held October, 19, 2010. For more information, visit [NGP](#).
 - **National Council of University Research Administrators 52nd Annual Meeting** will be held in Washington, DC, October 31-November 3, 2010. For more information, visit [NCURA Annual Meeting](#).
 - **American Association of Grant Professionals Annual Conference** will be held in St. Pete Beach, FL, November 3-6, 2010. For more information, visit [AAGP Annual Conference](#).
 - **American Association of State Colleges and Universities Annual Conference** will be held in Charleston, SC, November 21-23, 2010. For more information, visit [AASCU Annual Conference](#).
 - **American Association of State Colleges and Universities' Higher Education Government Relations Conference** will be held in Austin, TX, December 1-3, 2010. For more information, visit [AASCU Government Relations Conference](#).
- For a full list of upcoming grants events, visit [Calendar of Events for the Grants Community](#).